

**LEMON GROVE CITY COUNCIL
AGENDA ITEM SUMMARY**

Item No. 2
Mtg. Date October 6, 2015
Dept. Development Services

Item Title: San Diego Community Land Trust Entitlements and Construction Financing

Staff Contact: David De Vries, Principal Planner
James P. Lough, City Attorney

Recommendation:

Receive Letter of Intent (LOI) from Torrey Pines Bank and provide feedback.

Item Summary:

In September 2014, the City and San Diego Community Land Trust (SDCLT) entered into a Purchase Option Agreement (**Attachment B**) for the eventual sale of 8084 Lemon Grove Way. The Purchase Option Agreement required SDCLT to complete certain milestones by specified dates. The second milestone—securing entitlements and construction financing—was to be completed by September 2, 2015 and October 19, 2015 respectively. These securities ensure that SDCLT has continued its due diligence to determine whether the project is feasible. SDCLT has stated that minimal revisions to the approved Tentative Map and Planned Development Permit are proposed. Entitlements are in place until February 20, 2016. SDCLT has also submitted the required securities for construction financing (**Attachment C**). The staff report (**Attachment A**) presents an overview of the submitted materials. Staff recommends that the City Council consider the submittal and provide feedback.

Fiscal Impact:

None.

Environmental Review:

- | | |
|---|---|
| <input checked="" type="checkbox"/> Not subject to review | <input type="checkbox"/> Negative Declaration |
| <input type="checkbox"/> Categorical Exemption, Section <u> </u> | <input type="checkbox"/> Mitigated Negative Declaration |

Public Information:

- | | | |
|--|---|---|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Newsletter article | <input type="checkbox"/> Notice to property owners within 300 ft. |
| <input type="checkbox"/> Notice published in local newspaper | <input type="checkbox"/> Neighborhood meeting | |

Attachments:

- A. Staff Report
- B. Option Agreement (Exhibits A, D, E, & F Excluded)
- C. Torrey Pines Bank Letter of Intent 8084 Lemon Grove Way dated August 28, 2015
- D. Move Alliance Certification dated September 18, 2015

Attachment A

LEMON GROVE CITY COUNCIL STAFF REPORT

Item No. 2

Mtg. Date October 6, 2015

Item Title: San Diego Community Land Trust Entitlements and Construction Financing

Staff Contact: David De Vries, Principal Planner
James P. Lough, City Attorney

Discussion:

In September 2014, the City and San Diego Community Land Trust (SDCLT) entered into a Purchase Option Agreement for the eventual sale of 8084 Lemon Grove Way. Contractual components of the Agreement are attached (**Attachment B**). A nine unit condominium development is currently entitled on the subject property. The Purchase Option Agreement required SDCLT to complete certain milestones by specified dates. These milestones ensure that SDCLT has done their due diligence to determine whether the project is feasible.

The first milestone—submission of a business plan—was to be completed in December 2014. The business plan was submitted on December 1, 2014 and the City Council reviewed the business plan and provided feedback to SDCLT on January 6, 2015.

The second milestone—securing entitlements and construction financing—was to be completed by September 2, 2015 and October 19, 2015 respectively.

SDCLT has stated that minimal revisions to the approved Tentative Map (TM0052) and Planned Development Permit (PDP06-09) are proposed. Entitlements are in place until February 20, 2016. SDCLT resubmitted the copies of the originally approved plans for TM0052 and PDP06-09 on February 9, 2015 in order to determine if the plans substantially conform to current codes. Staff provided SDCLT a notice of substantial conformance on March 10, 2015 with detailed directions for obtaining final map and building and grading permit approvals. An extension of TM0052 and PDP06-09 is required before February 20, 2016 in order for the applicant to proceed with the project as approved. On September 4, 2015, SDCLT submitted a Letter of Intent (LOI) from Torrey Pines Bank (**Attachment C**) that has been signed with the appropriate deposit providing conditional approval for construction financing from Torrey Pines Bank. This action satisfied the second milestone.

The third milestone from SDCLT will be to submit building and site improvement applications by April 4, 2016. This milestone requires submittal of packages for a grading permit, building permit, landscape permit, public street improvement permits, and a final map. Appropriate plans and reports will include building and site construction plans, grading plans, public facility improvement plans, a landscape documentation package, an acoustical analysis, a Standard Urban Stormwater Mitigation Plan, draft Conditions, Covenants, and Restrictions (CC&Rs), and potentially other necessary reports, studies, and plans in accordance with City Council Resolutions 2694 and 2695 which approved TM0052 and PDP06-09 respectively. A “Hold Harmless” agreement shall be required for each submittal. Further milestones require that all of these permits are issued, the map is ready to record, and the appropriate improvement securities are provided by May 19, 2016. Staff recommends that SDCLT submit the required

Attachment A

documents as soon as possible in order to allow time for staff to review the submittals and for responses to corrections (minimum three months recommended).

SDCLT has until September 16, 2016 to exercise its option and purchase the property.

It is notable that on September 18, 2015, Circulate San Diego (formerly Walk San Diego) issued a Move Alliance Certification for the project for “demonstrating a commitment to creating, preserving, and enhancing sustainable communities that provide mobility choices in the San Diego region” (**Attachment D**).

Conclusion:

Staff recommends that the City Council receive the LOI and provide feedback.

RESOLUTION NO. 2014-3284

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEMON GROVE, CALIFORNIA APPROVING AN OPTION AGREEMENT AND A REAL ESTATE PURCHASE AND SALE AGREEMENT WITH THE SAN DIEGO COMMUNITY LAND TRUST FOR THE PARCEL IDENTIFIED AS 8084 LEMON GROVE WAY (APN 475-450-19-00)

WHEREAS, on June 20, 2006 and June 19, 2007, the former Lemon Grove Community Development Agency and a developer entered into loan agreements for the development of nine townhome units at 8084 Lemon Grove Way; and

WHEREAS, said developer defaulted on the loan agreements, resulting in the parcel identified as 8084 Lemon Grove Way becoming property of the City of Lemon Grove; and

WHEREAS, in 2014, the San Diego Community Land Trust proffered a formal offer to purchase 8084 Lemon Grove Way from the City; and

WHEREAS, the San Diego Community Land Trust's offer includes a commitment to develop and construct a minimum of nine affordable housing units to be ground leased for a 99-year period to households earning from 80 percent to 120 percent of the San Diego Area Median Income at the time of sale or resale; and

WHEREAS, the provision of these affordable for sale units helps meet the City's moderate housing targets established by the Regional Housing Needs Assessment (January 1, 2013 – December 31, 2020); and

WHEREAS, on June 17, 2014, the City Council directed staff to negotiate purchase agreements with the San Diego Community Land Trust, based on its offer; and

WHEREAS, the City has negotiated an Option Agreement and a Real Estate Purchase and Sale Agreement with the San Diego Community Land Trust; and

WHEREAS, the City Council has reviewed said agreements; and

WHEREAS, the City Council finds it in the best interest of the City of Lemon Grove to approve said agreements.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lemon Grove, California hereby:

1. Approves an Option Agreement (Exhibit 1) between the City of Lemon Grove and the San Diego Community Land Trust and authorizes the City Manager to execute said Option Agreement and related documents subject to minor modifications; and
2. Approves a Real Estate Purchase and Sale Agreement (Exhibit 2) between the City of Lemon Grove and the San Diego Community Land Trust and authorizes the City Manager to execute said Real Estate Purchase and Sale Agreement and related documents subject to minor modifications.


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Attachment B

PASSED AND ADOPTED: On September 16, 2014, the City Council of the City of Lemon Grove, California adopted resolution No. 2014-3284 by the following vote:

<u>COUNCILMEMBERS</u>	AYES	NOES	ABSTAIN	ABSENT
Mary Teresa Sessom	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Howard Cook	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
George Gastil	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jerry Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Racquel Vasquez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


MARY TERESA SESSOM, Mayor

Attest:


SUSAN GARCIA, City Clerk

Attachment B

OPTION AGREEMENT

THIS OPTION AGREEMENT ("**Agreement**") is made as of September 22, 2014 ("**Effective Date**"), between THE CITY OF LEMON GROVE a public body. ("**Optionor**") and THE SAN DIEGO COMMUNITY LAND TRUST a California 501(c)(3) non-profit organization ("**Optionee**"), who agree as follows:

1. Recitals. This Agreement is made with reference to and in contemplation of the following facts and circumstances:

1.1 Optionor is the fee owner of that certain real property located at 8084 Lemon Grove Way (APN 475-450-19-00), in the City of Lemon Grove, County of San Diego, State of California, as more particularly described on Exhibit "A" attached hereto and incorporated herein by this reference ("**Property**").

1.2 Optionee desires to foster affordable home ownership (via long term ground lease) in the City of Lemon Grove through the development on the Property of nine permanently affordable ownership homes ("**Affordable Units**").

1.3 Optionee desires to obtain the exclusive right and option to purchase the Property from Optionor upon and subject to the provisions and conditions set forth herein, and Optionor is willing to grant such exclusive right and option to Optionee as so provided.

2. Grant of Option. Subject to the approval of the City Council of the City of Lemon Grove, (said approval to be secured prior to execution of this Agreement), Optionor hereby grants to Optionee, upon and subject to the provisions and conditions set forth herein, the exclusive right and option to purchase the Property from Optionor during the Option Term (the "**Option**").

3. Option Consideration and Optionee Obligation. As consideration for the execution by Optionor of this Agreement and Optionor's performance hereunder, Optionee shall pay to Optionor the cash amount of one dollar (\$1.00) upon the Effective Date (the "**Option Consideration**"). The Option Consideration shall not be credited to the Purchase Price. The Option Consideration shall be deemed fully earned when paid. In addition to the Option Consideration, Optionor's agreement to grant the Option is specifically conditioned upon Optionee's agreement, as evidenced by signature to this agreement, to develop and construct a minimum of nine (9) affordable housing units to be ground leased for a 99-year period to households earning from 80 percent to 120 percent of the San Diego Area Median Income, as published annually by the State of California Department of Housing and Community Development, or successor agency, at the time of sale or resale (via ground lease).

4. Option Term. The Option may be exercised upon the Effective Date and shall expire two years from the Effective Date (the "**Option Term**"), unless terminated earlier under the terms of Section 6 or extended by mutual written agreement of the parties. If the Option is not exercised in accordance with the provisions and conditions hereof during the Option Term, then the Option shall expire and the parties shall have no further obligations under this Agreement with the exception of any surviving indemnification obligations as provided in this Agreement.

5. Exercise of Option. Optionee may exercise the Option at any time during the Option Term by providing Optionor with written notice of its election to exercise the Option (the "**Exercise Notice**").

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5.1 If Optionee elects to exercise the Option, then Optionee and Optionor shall promptly execute and deliver that certain Real Estate Purchase and Sale Agreement in the form set forth on Exhibit "B" attached hereto and incorporated herein by this reference (the "**Purchase Agreement**").

5.2 The Purchase Agreement sets forth the provisions and conditions by which Optionor shall convey to Optionee fee title to the Property.

5.3 If Optionee exercises the Option, the purchase price for the Property shall be Nine Dollars (\$9.00), representing one dollar per Affordable Unit. The "Closing" (as such term is defined in the Purchase Agreement) shall occur on or before a date ten (10) business days after the date Optionee delivers the Exercise Notice to Optionor.

6. Optionee's Right to Terminate. Optionee shall have the right and election, in its sole discretion, exercisable by providing written notice thereof to Optionor, to at any time terminate this Agreement and all rights and obligations hereunder. If Optionee elects to so terminate this Agreement, then the Option Consideration shall be deemed nonrefundable.

7. Condition Precedent to Exercise of Option. The right of Optionee to exercise the Option in accordance with the provisions and conditions of this Agreement shall be conditioned on:

7.1 No later than December 1, 2014, Optionee to make presentation to by the Lemon Grove City Council of Optionee's business plan including; analysis of entitlement and project; project feasibility; pro forma; and financing plan.

7.2 No later than September 2, 2015, Optionee to complete project modification and secure entitlement (including approval of a Tentative Subdivision Map and Planned Development Permit in conformance with City of Lemon Grove Resolutions 2694 (attached as Exhibit E) and 2695, as approved by Lemon Grove City Council on February 20, 2007 (attached as Exhibit F). No later than October 19, 2015, Optionee shall present reasonable evidence, as determined in the reasonable discretion of Optionor, that Optionee has secured construction financing.

7.3 No later than April 4, 2016, Optionee shall submit Building and Site Improvement Permit Applications to Optionor.

7.4 No later than May 19, 2016, Optionee shall have (i) secured Building and Site Improvement Permits, and (ii) secured Optionor's approval as to form of the 99-year ground lease proposed to be used as the conveyance of Affordable Unit interests.

Except in the event delays are caused by Optionor's failure to provide its approval or perform its obligations in a timely manner, in the event that Optionee fails to meet the schedule of conditions in this section 7, this Option shall terminate and the parties shall have no further obligation hereunder.

8. Activities During the Option Term.

8.1 Within ten (10) days after the Effective Date, Optionor shall deliver to Optionee or otherwise provide, as appropriate, copies of all documents and information relating to the Property, to the extent such documents and information are in the possession of Optionor, including, without limitation, the following: Any and all engineering studies, soil boring

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test results, reports pertaining to hazardous substances, title insurance policies, boundary or topographic surveys; any and all existing, proposed conditions and agreements accepted and agreed to by Optionor (or any predecessor in title to Optionor if such documents are in the possession of Optionor) as a condition to development of the Property; any and all correspondence with the municipality where the Property is located or any other local, state or federal agency, authority or government; any and all development plans, bills or correspondence relating to taxes or assessments, governmental permits, licenses, and approvals and correspondence and other documentation relevant thereto; a rent roll for the Property; a list of expenses related to the maintenance of the Property; any and all easements, regardless of purpose or use, associated with the Property or any development approvals thereto; and all other material information and studies pertaining to the Property in Optionor's possession. Optionor shall not be obligated to provide Purchaser with any of Optionor's internal work product. Optionor agrees, to reasonably cooperate should Optionee apply for pre-development financing to fund pre-development costs, including but not limited to engineering, architects, surveyors expenses, and other professional services. The foregoing cooperation shall include any out of pocket expenses by Optionor.

8.2 During the Option Term, Optionee, its agents, contractors, engineers, surveyors and employees (collectively, "**Optionee Agents**"), shall have the right (i) to order and review title matters, (ii) during business hours and with reasonable notice, to enter the Property to make studies, tests, analysis, or other determinations desired by Optionee. Optionee shall repair any damage to the Property as a result of their activities hereunder, and will indemnify, defend and hold Optionor harmless for all claims, demands, liabilities and expenses (including attorneys' fees and costs) arising out of any damage to personal or real property resulting from the exercise of those rights granted by this Section 8.2 to Optionee and the Optionee Agents. The indemnifications obligations hereunder shall survive termination of this Agreement.

9. Optionor's Covenants. Optionor hereby covenants that during the Option Term, Optionor shall not without Optionee's prior written consent, not to be unreasonably withheld: (a) enter into any easement agreement burdening the Property; (b) obtain any building entitlements for the Property; (c) create any tenancy for the Property; (d) make or permit to be made any structural changes to the Property; (e) enter into any service contracts related to the Property that cannot be canceled with no more than thirty (30) days' notice; (f) enter into any purchase agreement for the Property (with the exception of any agreements between Optionor and Optionee); or (g) grant any licenses to a third party to enter onto or otherwise utilize the Property.

10. Escrow. Upon receipt by Optionee from Optionor of the Purchase Agreement executed by Optionor, Optionee shall promptly deliver the executed Purchase Agreement to Lawyer's Title Insurance (Attn: Kevin Collier) ("**Escrow Holder**"). Upon receipt, Escrow Holder shall promptly open an Escrow for consummation of the subject transaction pursuant to such Purchase Agreement. Escrow Holder shall advise each party in writing of the date Escrow is opened and shall endorse such date upon the first page of the Purchase Agreement in the space designated for the date of opening of Escrow.

11. Memorandum of Option/Quitclaim. On or before the execution hereof, Optionor and Optionee shall execute, acknowledge and cause to be recorded in the Official Records of San Diego County, California, a Memorandum of Option Agreement in the form of Exhibit "C" attached hereto and incorporated herein by this reference. In addition, Optionee shall execute, acknowledge and cause to be delivered to Escrow Holder a Quitclaim in the form of Exhibit "D" attached hereto and incorporated herein by this reference. Escrow Holder is hereby instructed to record the Quitclaim upon (a) Optionee's failure to exercise the Option in a

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timely manner, or (b) Optionee terminates this Option, or (c) if after Optionee exercises the Option, Optionee defaults under the Purchase Agreement.

12. Notice. Any notice required or permitted to be given hereunder must be in writing and shall be deemed to be given when (a) hand delivered, or (b) one (1) business day after pickup by United Parcel Service (Overnight) or Federal Express, or another similar reputable overnight express service, or (c) transmitted by telecopy or facsimile, provided that confirmation of the receipt of same is noted upon transmission of same by the sender's telecopy machine, in any case addressed to the parties at their respective addresses set forth below:

If to Optionor:	City of Lemon Grove Attn: Graham Mitchell, City Manager City of Lemon Grove 3232 Main Street Lemon Grove, California 91945 Facsimile: (619) 825-3804
With a copy to:	Lounsbery Ferguson Altona & Peak LLP Attn: Jim Lough, Esq. 960 Canterbury Place, Suite 300 Escondido, CA 92025 Facsimile: (760) 743-9926
If to Optionee:	The San Diego Community Land Trust Attn: Jean M. Diaz 10620 Treana Street, Suite 230 San Diego, CA 92131 Facsimile: (858) 375-8947
With a copy to:	Stutz Artiano Shinoff & Holz Attn: Barry Schultz 2488 Historic Decatur Road, Suite 200 San Diego, CA 92106 Facsimile: (619) 232-3264

or in each case to such other address as either party may from time to time designate by giving notice in writing pursuant to this Section 12 to the other party. Telephone numbers are for informational purposes only. Effective notice shall be deemed given only as provided above, except as otherwise expressly provided in this Agreement. Any notice that may be given by either party in connection with this Agreement may be given by such party's attorney.

13. Miscellaneous.

13.1 Entire Agreement. This Agreement, together with the Exhibits attached hereto, is the entire agreement between the parties with respect to the subject matter hereof, and no alteration, modification or interpretation hereof shall be binding unless in writing and signed by both parties. The following Exhibits are attached hereto:

<u>Exhibit:</u>	<u>Description:</u>
A	Legal Description of Property
B	Purchase Agreement
C	Memorandum of Option Agreement

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<u>Exhibit:</u>	<u>Description:</u>
D	Quitclaim
E	City of Lemon Grove Resolution No. 2694
F	City of Lemon Grove Resolution No. 2695

13.2 Severability. If any provision of this Agreement or its application to any party or circumstances shall be determined by any court of competent jurisdiction to be invalid and unenforceable to any extent, the remainder of this Agreement or the application of such provision to such person or circumstances, other than those as to which it is so determined invalid or unenforceable, shall not be affected thereby, and each provision hereof shall be valid and shall be enforced to the fullest extent permitted by law.

13.3 Applicable Law. This Agreement shall be governed by, and construed in accordance with, the laws of the State of California.

13.4 Assignability. Optionee may not delegate, transfer and assign this Agreement without the prior written consent of Optionor, which consent shall not be unreasonably withheld, conditioned, or delayed; provided, however, Optionee shall have the right to transfer and assign this Agreement to an "Affiliate" of Optionee without the prior written consent of Optionor. For purposes hereof, an "Affiliate" shall mean an entity or trust owned or controlled by Optionee.

13.5 Successors Bound. This Agreement shall be binding upon and inure to the benefit of Optionee and Optionor and their respective successors and assigns.

13.6 Captions; Interpretation. The captions in this Agreement are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope of this Agreement or the scope or content of any of its provisions. Whenever the context may require, words used in this Agreement shall include the corresponding feminine, masculine, or neuter forms, and the singular shall include the plural and vice versa. Unless the context expressly indicates otherwise, all references to "Section" are to sections of this Agreement.

13.7 No Partnership. Nothing contained in this Agreement shall be construed to create a partnership or joint venture between the parties or their successors in interest or permitted assigns.

13.8 Time of Essence. Time is of the essence with respect to the performance of the obligations of Optionor and Optionee under this Agreement.

13.9 Counterparts and Distribution. This Agreement may be executed and delivered in any number of counterparts, in the original or by facsimile or electronic transmission, each of which so executed and delivered shall be deemed to be an original and all of which shall constitute one and the same instrument.

13.10 Proper Execution. The submission by Optionee to Optionor or by Optionor to Optionee (or by their respective attorneys) of this Agreement in an unsigned form shall be deemed to be a submission solely for the other party's consideration and not for acceptance and execution. Such submission shall have no binding force and effect, shall not constitute an option or an offer, and shall not confer any rights upon either party or impose any obligations upon either party irrespective of any reliance thereon, change of position or partial performance. The submission by Optionee to Optionor or Optionor to Optionee of this Agreement for execution by the other party and the actual execution thereof by either party and

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delivery to the other party shall similarly have no binding force and effect on the party that executed the Agreement unless and until Optionee and Optionor shall have executed this Agreement and a counterpart hereof executed by Optionee and Optionor shall have been delivered to each party.

13.11 Waiver. No waiver of any breach of any agreement or provision contained herein shall be deemed a waiver of any preceding or succeeding breach of any other agreement or provision herein contained. No extension of time for the performance of any obligation or act shall be deemed an extension of time for the performance of any other obligation or act.

13.12 Date of Agreement. The date of this Agreement is the date on which it is executed by and delivered to both Optionor and Optionee, which date shall be inserted at the top of the first page.

13.13 Waiver of Jury Trial. Optionor and Optionee each hereby waives all rights to a trial by jury in any claim, action, proceeding or counterclaim arising out of or in any way connected with this Agreement or the transaction contemplated hereby.

13.14 Further Assurances. Each party agrees to execute and deliver to the other party such documents and instruments, and to do such other acts or things, as further assurance of the provisions of this Agreement, as a party may from time to time request, at no cost to the responding party.

13.15 No Brokers. Optionor and Optionee each represent to the other that it has had no dealings, negotiations, or consultations and has made no agreement with any broker, representative, employee, agent or other intermediary in connection with the delegation, transfer and assignment of the Property or the option granted hereunder. Optionor and Optionee shall each indemnify, defend and hold the other free and harmless from any and all claims of any broker(s), representative(s), employee(s), agent(s) or other intermediary(ies) claiming to have represented Optionor or Optionee, respectively, or otherwise to be entitled to compensation in connection with this Agreement or in connection with the delegation, transfer and assignment of the Property or the option granted hereunder. This mutual indemnity shall survive the exercise of the Option and any termination of this Agreement.

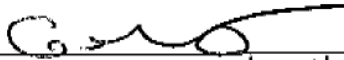
[The remainder of this page intentionally left blank]

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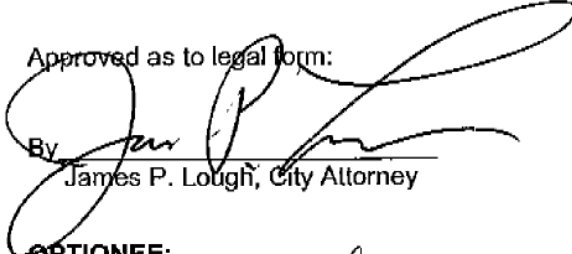
IN WITNESS WHEREOF, Optionee and Optionor have executed this Option Agreement effective as of the date first set forth above.

OPTIONOR:

THE CITY OF LEMON GROVE.,

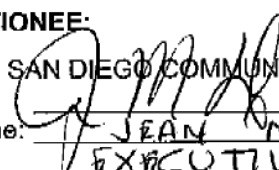
By: 
Name: Graham Mitchell
Its: City Manager

Approved as to legal form:

By: 
James P. Lough, City Attorney

OPTIONEE:

THE SAN DIEGO COMMUNITY LAND TRUST,

By: 
Name: JEAN M. DIAZ
Its: EXECUTIVE DIRECTOR

EXHIBITS A, D, E, AND F EXCLUDED FROM STAFF REPORT

Attachment B

EXHIBIT B

REAL ESTATE PURCHASE AND SALE AGREEMENT

REAL ESTATE PURCHASE AND SALE AGREEMENT

This Real Estate Purchase and Sale Agreement (this "Agreement") is made and entered into as of the ____ day of _____, 2014 (the "Effective Date") by and between the CITY OF LEMON GROVE, a public body (hereinafter "City"), and The San Diego Community Land Trust, a California 501(c)(3) non-profit organization (hereinafter "Developer"). The City and the Developer are sometimes collectively referred to herein as the "Parties" or individually as a "Party."

RECITALS AND BACKGROUND

WHEREAS, the City owns certain property located 8084 Lemon Grove Way (APN 475-450-19-00), Lemon Grove, California, (as more particularly defined below, the "Property"); and

WHEREAS, Developer was granted an option to purchase the Property pursuant to the terms of an Option Agreement dated _____, 2014 ("Option Agreement"), and has performed extensive due diligence and permitting;

WHEREAS, Developer is interested in purchasing the Property for the purpose of constructing certain improvements thereon (as more particularly defined below, the "Developer Improvements"), and City is willing to sell the Property to Developer for such purpose, on the terms and conditions contained herein.

NOW, THEREFORE, the Parties hereby agree as follows:

Definitions

As used herein, the following terms shall have the meanings respectively indicated:

"City Deed" means the grant deed from City to Developer conveying title, including a deed restriction relating to the development of affordable housing.

"Closing" means the transfer of title to the Property by City to Developer in accordance with Section 2 below.

"Closing Date" has the meaning specified in Section 2.2 below.

"Covered Parties" means the City and its past, present and future directors, officers, employees, representatives and agents.

"Escrow Holder" means Lawyer's Title.

"Hazardous Material" means any substance or material which is defined as or included in the definition of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous waste," "acutely hazardous wastes," "restricted hazardous waste," "toxic substances," or "known to cause cancer or reproductive toxicity" (or words of similar import), petroleum products (including crude oil or any fraction thereof) or any other chemical, substance or material which is prohibited, limited or regulated under any federal, state or local law, ordinance,

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regulation, order, permit, license, decree, common law, or treaty now or hereafter in force regulating, relating to or imposing liability or standards concerning materials or substances known or suspected to be toxic or hazardous to health and safety, the environment or natural resources.

"Property" means that certain real property described on Exhibit A attached hereto, together with all improvements thereon.

"Developer Improvements" means the improvements reflected in City of Lemon Grove Resolution No. 2694 and Resolution No. 2694 (Resolutions included as Exhibit B), or subsequently approved Resolutions related to the project.

"Purchase Price" means the payment to be paid by Developer to City for the Property as described in Section 1.3 below.

"Title Company" means Lawyers Title.

Agreement of Purchase and Sale

1.1 **Sale of the Property.** In consideration of and subject to the terms and conditions contained herein, City hereby agrees to sell the Property to Developer and Developer hereby agrees to purchase the Property from City.

1.2 **Title.** Prior to execution of this Agreement, Developer shall have examined the title report prepared by the Title Company. Prior to execution of this Agreement, Developer shall have reviewed accepted the title status of the Property. Subsequent to execution of this Agreement, (i) City shall not record any further liens and encumbrances against the Property. And (ii) Developer has the right to review (and reasonably disapprove by written notice) any new liens and encumbrances recorded against the Property. In the event of title disapproval, City shall have ten (10) business days to cure any disapproved lien or encumbrance.

1.3 **Purchase Price.** The Purchase Price to be paid by Developer to City for the Property is the sum of Nine Dollars (\$9.00), payable at the Closing.

1.4 **Inspection.** As of the execution of this Agreement, Developer shall have fully inspected the Property and approve the condition of the Property, including condition of title, in all respects in Developer's sole discretion.

1.5 **Post-Closing covenants:** After the Closing:

(a) **Developer Improvements.** Developer shall develop nine (9) permanently affordable ownership homes as described in Exhibit B ("Developer Improvements") that will be made available to households earning from 80 percent to 120 percent of the San Diego Area Median Income, as published annually by the State of California Department of Housing and Community Development, or successor agency, at the time of sale or resale.

(b) **Commencement and Completion of Developer Improvements.** Developer agrees to commence the construction of Developer Improvements within ten (10)

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calendar days after the Closing Date. Developer agrees to complete construction and have secured a certificate of occupancy for the Improvements within 14 months of construction commencement.

(c) Right to Reacquire. City shall have the right to reacquire the Property from Developer at the same price purchased by Developer, in the event that (i) Developer does not commence construction of Developer Improvements as provided above; or (b) Developer ceases operation as a nonprofit provider of affordable housing and fails to transfer ownership to a qualified nonprofit affordable housing entity.

2.1 Title Company. Following the execution of this Agreement, the parties shall cooperate in opening of escrow with the Title Company. A copy of this Agreement shall be provided to the Title Company to advise the Title Company of the terms and conditions hereof. Prior to Closing, Developer and City shall give separate written closing instructions to the Title Company (with a copy sent concurrently to the other Party) which instructions shall be consistent with the provisions of this Agreement.

2.2 Outside Closing Date. The Closing hereunder shall take place on a date (the "Closing Date") that is on or before sixty days from Developer's exercise of the Option as defined in the Option Agreement. (the "Outside Closing Date"). If for any reason, other than City's default hereunder, the Closing does not occur on or before the Outside Closing Date, this Agreement shall automatically terminate, subject to surviving indemnification obligations under this Agreement.

2.3 Prorations. Normal prorations of taxes and related items shall be made at Closing. If the Closing shall occur before the tax rate is fixed for the then current year, the proration of taxes shall be based upon taxes for the prior year and adjusted for the year of Closing within a reasonable time after they become finally determined for such year.

2.4 Costs. Escrow fees and recording fees shall be paid equally by the Parties. City shall pay the cost of the premium for a standard form owner's policy of title insurance. If Developer elects extended coverage, Developer shall pay the difference between the title insurance premium for standard coverage and the title insurance premium for extended coverage. Developer shall pay the costs of any endorsements requested by Developer.

2.5 Possession. Possession of the Property shall be delivered to Developer by City at Closing.

2.6 Developer's Deliveries. Prior to Closing, Developer shall deliver or cause to be delivered to City through Escrow:

(a) The Purchase Price, as set forth in Paragraph 2.3.

2.7 City's Deliveries. Prior to Closing, City shall deliver or cause to be delivered to Developer through Escrow:

Attachment B

- (a) A CLTA owner's policy of title insurance, in the amount reasonably determined by Developer, insuring the Property and any improvements, the cost of such policy to be paid by City; and
- (b) Deposit a Grant Deed substantially in conformance with the form attached as Exhibit C, with Escrow Holder including a deed restriction regarding the use of the Property for the sole purpose of providing affordable residential housing.

2.8 Additional Documents. Both parties shall execute and deliver through escrow any other documents or instruments that are reasonably necessary in order to consummate the Closing.

Other Provisions

3.1 Representations of Developer. Developer represents and warrants, as of the date this Agreement is fully executed and as of the Closing Date, that Developer has taken all action required by law, and all required action under its governing documents necessary to authorize Developer to enter into this Agreement and to carry out its obligations hereunder.

3.2 No Representations as to the Property. Developer acknowledges that Developer has conducted such investigations and inspections of the Property as it desires. Developer hereby affirms that City, its agents, employees and/or attorneys have not made, nor has Developer relied upon any representation, warranty or promise with respect to the Property or any other subject matter of this Agreement except as expressly set forth in this Agreement and/or the City Deed, including, without limitation, any warranties or representations, express or implied, as to the general plan designation, zoning, value, use, tax status or physical condition of the Property, or improvements thereon, or any part thereof, including, but not limited to, the flood elevations, drainage patterns and soils and subsoils composition and compaction level, and other conditions at the Property, or the existence or non-existence of Hazardous Material on or under the Property or adjacent property, or as to the accuracy of any boundary survey or other survey or any soils reports or other plans or reports therefor. Without limiting the generality of the foregoing, and except for the warranties and covenants set forth in the City Deed, Developer is purchasing the Property from City in an "AS IS", "WHERE IS" CONDITION, SUBJECT TO "ALL FAULTS," INCLUDING, BUT NOT LIMITED TO, BOTH LATENT AND PATENT DEFECTS, AND THE EXISTENCE OF HAZARDOUS MATERIAL. EXCEPT AS OTHERWISE PROVIDED IN THE CITY DEED, DEVELOPER HEREBY WAIVES ALL WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE TITLE, CONDITION AND USE OF THE PROPERTY, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

3.3 Developer's Release and Indemnity. Developer hereby indemnifies, holds harmless and agrees to defend the Covered Parties from and against all claims, damages, expenses (including, without limitation, reasonable attorneys' fees and reasonable investigative and discovery costs), liabilities and judgments on account of injury to persons, loss of life, or damage to property occurring on the Property and/or incurred as a result of or arising out of:

- (a) with respect to events occurring during the period from the date of this

Attachment B

Agreement through the completion of Developer Improvements under this Agreement: (i) the active or passive negligence or willful conduct of Developer, and its agents, servants and employees, (ii) the breach of any of Developer's obligations hereunder, and (iii) any necessary or appropriate investigation, repair, cleanup, remediation or detoxification of the Property and other affected property and the preparation of any corrective action, closure or other required plans or reports, to the full extent that such actions are alleged to be attributable, directly or indirectly, to the presence or use, generation, storage, release, threatened release, or disposal of Hazardous Material by Developer or its agents and relate to or involve the Property, and

(b) with respect to events occurring during the period from the Closing Date through the completion of Developer Improvements under this Agreement, the condition and use of the Property.

The indemnity obligation shall survive the Closing and/or termination of this Agreement.

Scope of Release and 1542 Waiver. The release set forth in Section 3.2, includes claims of which Developer is presently unaware or which Developer does not presently suspect to exist which, if known by Developer, would materially affect Developer's release to City. Developer specifically waives the provision of California Civil Code Section 1542, which provides as follows:

"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

In this connection and to the extent permitted by law, Developer hereby agrees, represents and warrants, which representation and warranty shall survive the Closing, that Developer realizes and acknowledges that factual matters now unknown to it may have given or may hereafter give rise to causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which are presently unknown and unsuspected, and Developer further agrees, represents and warrants, which representation and warranty shall survive the Closing, that the waivers and releases herein have been negotiated and agreed upon in light of that realization and that Developer nevertheless hereby intends to release, discharge and acquit City from any such unknown causes of action, claims, demands, debts, controversies, damages, costs, losses and expenses which might in any way be included as a material portion of the consideration given to City by Developer in exchange for City's performance hereunder. The foregoing release shall not apply to any of the matters expressly contained in this Agreement.

City has given Developer material concessions regarding this transaction in exchange for Developer agreeing to the provisions of this Section. City and Developer have each initialed this Section to further indicate their awareness and acceptance of each and every provision hereof.

City's Initials ____

Developer's Initials ____

Attachment B

3.4 Commissions. City and Developer represent that neither Party has entered into any written contracts with any brokers or finders nor obligated themselves to pay any real estate commissions or finders' fees on account of the execution of this Agreement, or the close of the transaction contemplated hereby. Based on such representations, Developer and City hereby agree to indemnify and hold each other harmless from any claims, damages, expenses, liabilities, liens or judgments (including costs, expenses and attorneys' fees in defending the same) which arise on account of any claim made against the indemnifying party that real estate commissions or finders' fees (including those identified above) are payable and have not been discharged in their entirety.

General Provisions

4.1 Notices. All notices, requests, demands and other communications hereunder shall be in writing and shall be given by (a) Federal Express (or other established express delivery service which maintains delivery records), (b) hand delivery, or (c) certified or registered mail, postage prepaid, return receipt requested, to the Parties at the following addresses, or such other addresses as the Parties may designate from time to time by written notice in the above manner:

To City: City of Lemon Grove
 3232 Main Street
 Lemon Grove, CA 91945
 Attn: City Manager

To Developer: The San Diego Community Land Trust
 10620 Trenea Street, Suite 230
 San Diego, CA 92131
 Attn: Jean M. Diaz, Executive Director

Such communications may also be given by electronic mail, provided any such communication is concurrently given by one of the above methods. Notices shall be deemed effective upon the receipt, or upon attempted delivery thereof if the delivery is refused by the intended recipient or if delivery is impossible because the intended recipient has failed to provide a reasonable means of accomplishing delivery. Upon at least ten (10) days prior written notice, each Party shall have the right to change its address to any other address within the United States of America.

4.2 References. All references to "Article," "Articles," "Section," or "Sections" contained herein are, unless specifically indicated otherwise, references to Articles and Sections of this Agreement.

4.3 Exhibits. All references to "Exhibits" contained herein are references to exhibits attached hereto, all of which are made a part hereof for all purposes.

4.4 Captions. The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

4.5 Number and Gender of Words. Whenever herein the singular number is used,

Attachment B

the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

4.6 Attorney's Fees. In the event a Party commences a legal proceeding to enforce any of the terms of this Agreement, the prevailing Party in such action shall have the right to recover reasonable attorneys' fees and costs from the other Party to be fixed by the court in the same action. The term "legal proceedings" as used above shall be deemed to include appeals from a lower court judgment and it shall include proceedings in the Federal Bankruptcy Court, whether or not they are adversary proceedings or contested matters.

4.7 Governing Law. This Agreement is intended to be performed in the State of Utah, and the laws of such State shall govern the validity, construction, enforcement and interpretation of this Agreement, unless otherwise specified herein.

4.8 Amendments. This Agreement may be amended or supplemented only by an instrument in writing, executed by both City and Developer.

4.9 Invalid Provisions. Except as otherwise provided in the next sentence, if any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable, and this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement, but the parties shall equitably resolve and negotiate the effect of such deletion. In the event that either the provision relating to City's obligation to convey the Property or Developer's obligation to pay the Purchase Price is held to be illegal, invalid, or unenforceable under present or future laws, this Agreement shall be null and void.

4.10 Further Acts. In addition to the acts and deeds recited herein and contemplated to be performed, executed and delivered by City and Developer, City and Developer agree to perform, execute and deliver or cause to be performed, executed, and delivered at the Closing or after the Closing any and all such further acts, deeds and assurances as may be reasonably necessary to consummate the transactions contemplated hereby.

4.11 Survival. All indemnities, covenants, representations and warranties contained herein shall survive the termination of this Agreement, Closing, the delivery of the City Deed, and the acquisition of the Property by Developer.

4.12 Conflict of Interests. No member, official or employee of the City shall have any direct or indirect interest in this Agreement, nor participate in any decision relating, to the Agreement which is prohibited by law.

4.13 Warranty Against Payment of Consideration for Agreement. Developer represents and warrants that neither it nor any of its members, managers, employees or officers has: (1) provided an illegal gift to City officer or employee or former City or City officer or employee, or his or her relative or business entity; (2) retained any person to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees or bona fide commercial selling agencies for the purpose of securing business; (3) knowingly breached any of the ethical standards set forth in City's conflict of interest ordinance; or (4) knowingly influenced, and hereby promises that it will not knowingly influence, a City officer or employee or former City officer or employee to breach

Attachment B

any of the ethical standards set forth in City's conflict of interest ordinance.

4.14 No liability of City Officials and Employees. No member, official or employee of City shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by City or for any amount which may become due to Developer or successor or on any obligation under the terms of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Purchase and Sale Agreement to be duly executed as of the date first written.

CITY:

By _____
Graham Mitchell, City Manager

Approved as to legal form:

By _____
James P. Lough, City Attorney

DEVELOPER:

By _____
Jean M. Diaz, Executive Director

EXHIBIT C

MEMORANDUM OF OPTION AGREEMENT

[SEE ATTACHED]

Attachment B

DOC # 2014-0410979



RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Fd
GP
LC 18

City Clerk
City of Lemon Grove
3232 Main Street
Lemon Grove, California 91945

SEP 23, 2014 12:38 PM

OFFICIAL RECORDS
SAN DIEGO COUNTY RECORDER'S OFFICE
Ernest J. Dronenburg, Jr., COUNTY RECORDER
FEES: 32.00

PAGES: 6



MEMORANDUM OF OPTION AGREEMENT

THIS MEMORANDUM OF OPTION AGREEMENT ("Memorandum") is made and entered into as of September 22, 2014, by and between THE CITY OF LEMON GROVE, ("Optionor"), and THE SAN DIEGO COMMUNITY LAND TRUST, ("Optionee"), who agree as follows:

A. Optionor is the fee owner of that certain real property in San Diego County, California more particularly described on Exhibit "1", attached hereto ("Property").

B. Pursuant to the provisions and conditions of that certain Option Agreement, dated September 22, 2014, between Optionor and Optionee, as the same may be amended and modified from time to time ("Option Agreement"), the provisions and conditions of which are hereby incorporated herein by this reference, Optionor has granted to Optionee the exclusive right and option to purchase the Property upon and subject to the provisions and conditions and for the term set forth in the Option Agreement.

C. The time period during which the "Option" (as defined in the Option Agreement) may be exercised by Optionee commences upon the "Effective Date" (as defined in the Option Agreement) and expires on September 16, 2016, unless earlier terminated.

D. This Memorandum is being recorded to give notice to the public that the Property is subject to the provisions and conditions of the Option Agreement.

E. This Memorandum is intended to summarize certain of the provisions and conditions of the Option Agreement, but in no way changes, modifies or otherwise affects any of the provisions and conditions of the Option Agreement.

F. In the event of any conflict between this Memorandum and the Option Agreement, the provisions and conditions of the Option Agreement shall prevail.

Attachment B

IN WITNESS WHEREOF, Optionor and Optionee have executed this Memorandum of Option Agreement as of the day and year above written.

OPTIONOR:

THE CITY OF LEMON GROVE.,

By: _____
Name: _____
Its: _____

OPTIONEE:

THE SAN DIEGO COMMUNITY LAND TRUST,

By: _____
Name: _____
Its: _____

[Notary Acknowledgment on following page]



TORREY PINES BANK

A Division of Western Alliance Bank

August 28, 2015

San Diego Community Land Trust
Mr. Jean Diaz
Executive Director
10620 Trenea Street, Suite 230
San Diego, CA 92131

CITY OF LEMON GROVE

SEP 04 2015

DEVELOPMENT SERVICES

Dear Mr. Diaz,

On behalf of Torrey Pines Bank (Bank) we are pleased to provide the following **revised** conditional letter of interest to provide financing for your multifamily property purchase and improvements. This letter is not meant to be, nor shall it be construed as, an attempt to define all of the terms and conditions involved in this financing. Rather, it is intended only to outline certain of the basic points of our understanding around which the final terms and documentation are to be structured. Further negotiations adding to or modifying the general scope of these major terms shall not be precluded by the issuance of this conditional letter of interest and its acceptance by you.

BORROWER:	San Diego Community Land Trust
CREDIT FACILITY:	<p>\$2,092,790 1st Trust Deed multiple disbursement term loan, subject to the lesser of (as determined by an appraisal acceptable to Bank):</p> <ul style="list-style-type: none">- maximum 83% loan to project cost- maximum 80% loan to value based on "as proposed market value with existing entitlements"
LOAN PURPOSE:	Provide \$2,092,750 to assist with the development and construction of a 9-unit single family development property located at 8084 Lemon Grove Way, Lemon Grove, CA 91945 (APN # 475-450-19-00)
INTEREST RATE:	Wall Street Journal Prime + 2.00% adjusting daily with 5.25% floor rate
PREPAYMENT PENALTY:	None
ORIGINATION FEE:	1.00% (\$20,927) loan fee.
OTHER FEES:	\$1,250 documentation fee plus all out of pocket costs, including, but not limited to title, environmental, appraisal, fund control and construction inspections, incurred by the Bank.

12220 El Camino Real, Suite 110, San Diego, CA 92130

Attachment C



TORREY PINES BANK

A Division of Western Alliance Bank

GUARANTORS: None

MATURITY DATE: 24 months

COLLATERAL: The Credit Facility shall be secured by an ALTA insured first Trust Deed, assignment of rents, and a 1st lien UCC fixture filing on the aforementioned property.

REPAYMENT: Interest-only monthly with release prices at 100% of net proceeds, but not less than 80% of appraised value with all unpaid principal and interest due at maturity.

SIGNIFICANT COVENANTS:

During the term of Credit Facilities, the following shall apply:

- Borrower shall provide tax returns on an annual basis within 30 days of filing;
 - Borrower shall provide additional information, statements, and other reports with respect to its financial condition as Bank may request from time to time;
 - Borrower to maintain a primary deposit relationship with Torrey Pines Bank. If not maintained, interest rate and floor rate will increase by 0.50%;
 - Torrey Pines Bank reserves the right to require the borrower to re-margin the debt if the LTV exceeds 85%..
 - Any additional debt or developer fees to be subordinate to and repaid after the TPB debt.
 - Release prices equate to 100% of proceeds of sale (after selling costs).
- **In the event of a foreclosure:**
 - Bank must acquire fee simple title to the property
 - Minimum sales price shall be \$345,000
 - Bank agrees to limit the sales price of the units to not exceed the Maximum Sales Price to meet a Buyer's Qualification who has an income of up to 120% of the San Diego County Area Median Income (AMI):
- **Maximum Sales Price will be defined using the following:**
 - San Diego Area Median Income (AMI):
 - as published by the U.S Department of Housing and Urban Development (HUD) for the most recent year for San Diego County.
 - 120% of AMI:
 - 120% of the AMI for a house hold size of 4 as determined by HUD
 - Buyer's Qualification:
 - The Mortgage Amount that can be supported by a buyer who has an income of 120% of AMI
 - Mortgage Amount will be determined using the following parameters:
 - Mortgage debt (Principal & Interest payment) plus property taxes and homeowners insurance, not to exceed 35% of 120% of AMI
 - Bank to determine the interest rate at its sole discretion, based on the then-current 30-yr. fixed mortgage rate

12220 El Camino Real, Suite 110, San Diego, CA 92130



TORREY PINES BANK

A Division of Western Alliance Bank

- 30-year amortization
- Property taxes based on 1.25% of estimated purchase price
- Insurance based on .005% of estimated purchase price
- Mortgage Amount will be no more than 97% of the purchase price.

OTHER CONDITIONS:

- Torrey Pines Bank formal loan approval required;
- Formation documents for vesting entity
- Satisfactory contractor package for General Contractor
- Contractor's questionnaire
- Satisfactory environmental report
- Final City approved map/plans/permits for 9 units as presented in preliminary plans
- Approval of final budget/cost breakdown
- Satisfactory financial review and background/credit check for entity
- Lot/parcel split to be completed
- TI funds disbursed using Fund Control based on paid invoices and third party inspections.
- Course of Construction Insurance in the name of the borrowing entity with a minimum amount of allowed coverage to be no less than total construction costs plus contingency naming Torrey Pines Bank, a division of Western Alliance Bank as Mortgagee and Loss Payee .
- General Liability Insurance in the name of the borrowing LLC with a minimum of \$1,000,000 per occurrence coverage and \$2,000,000 aggregate with Torrey Pines Bank, a division of Western Alliance Bank, named as Additional Insured on Certificate with property address in the comment section;
- Evidence of Contractor's General Liability Insurance with a minimum coverage of \$1,000,000.00 per occurrence and \$2,000,000.00 aggregate, and evidence of Worker's Comp.

This expression of interest is provided to you solely for the purpose described herein and may not be disclosed to, or relied upon by, any other party without prior written consent of the Bank.

Thank you for the opportunity to present this information. If you have any questions, please feel free to contact my office at (858) 523-4631. We look forward to the opportunity of creating a long-term relationship with you. If you agree to these terms, please forward a deposit check payable to **Torrey Pines Bank for \$5,000**. The terms contained herein will expire at the close of business **September 30, 2015**, if we have not received the aforementioned information and this signed letter from you before that time.

Attachment C



TORREY PINES BANK

A Division of Western Alliance Bank

Sincerely,

Teofla Rich
SVP

Scott Pritchard
SVP

The terms outlined above are acceptable. Please proceed with the appropriate due diligence.

San Diego Community Land Trust

By: _____
Jean Diaz, Executive Director

Date: _____

Attachment C

San Diego Community Land Trust

	Costs	Equity to Date	Cash Required @ Closing	TPB Loan
Land Cost	\$9	\$9	\$0	\$0
Hard Building Construction Costs	\$1,161,120	\$0	\$0	\$1,161,120
Development Costs/Site Costs	\$218,636	\$0	\$128,635	\$90,001
Predevelopment Funds from LISC	\$300,000	\$0	\$300,000	\$0
Soft Costs	\$528,685	\$0	\$0	\$528,685
Contingency (Hard Costs)	\$110,000	\$0	\$0	\$110,000
Contingency (Soft Costs)	\$49,689	\$0	\$0	\$49,689
Developer Fee**	\$0	\$0	\$0	\$0
Interest Reserve*	\$88,295	\$0	\$0	\$88,295
Closing, Financing, Misc.	\$65,000	\$0	\$0	\$65,000
Total Costs	\$2,521,434	\$9	\$428,635	\$2,092,790
Percentage of Costs	100.00%	0.00%	17.00%	83.00%
*Int reserve includes LISC predevelopment loan				
**Developer fee to be paid with sales proceeds after TPB loan paid off.				



1111 6th Ave #402
San Diego, CA 92101
www.circulatesd.org
(619) 544-9255

**MOVE Alliance
Northside
Commons Project
Panel**

Jim Stone
Circulate San Diego
Executive Director

Kathy Breedlove
MOVE Alliance Program
Chair

Diego Velasco
Urban Designer

Erik Ruehr
Transportation Engineer

Kevin Wood
Active Transportation
Planner

Andrew Malick
Urban Real Estate
Developer

Sherm Harmer
Urban Real Estate
Developer

Tony Pauker
Urban Real Estate
Developer

September 18, 2015

Jean M. Diaz
Executive Director
San Diego Community Land Trust

Subject: MOVE ALLIANCE CERTIFICATION

Dear Mr. Diaz,

Congratulations! The MOVE Alliance is pleased to announce the certification of Northside Commons, a San Diego Community Land Trust project. Northside Commons, a 9 unit affordable development located in Lemon Grove at 8084 Lemon Grove Way, has received the MOVE Alliance certification for demonstrating a commitment to creating, preserving, and enhancing sustainable communities that provide mobility choices in the San Diego region.

Northside Commons will be located within a short walking distance of frequent transit service, will provide the minimum amount of parking required, and includes secure bicycle storage, all of which encourages walking, bicycling, and the use of public transit. This infill project is compact and walkable, while utilizing human-scaled design to support positive interaction between the building and the street.

Congratulations on earning the MOVE Alliance endorsement for Northside Commons, a new smart growth development which fosters sustainable modes of transportation.

Please be encouraged to use the MOVE Alliance endorsement and logo as you move through entitlement and marketing for your project.



Sincerely,

Jim Stone
Executive Director
Circulate San Diego

THE MOVE ALLIANCE

was formed in 2012 to provide certification for transit-oriented, smart growth projects in the San Diego region. MOVE Alliance members consist of local experts in smart growth planning and sustainable transit oriented development disciplines, including planners, developers, urban designers, and transportation engineers. By recognizing and supporting projects which meet the MOVE Alliance criteria, we can help to create complete communities, one project at a time.